

May 2001
Issue: 01TIM 5

Inside this Issue

- 1 Hawaii Notices
- 2 World Wide Marketing Reports
- 3 Offers
- 3 Trade Events & Trade Missions
- 4 Asian Development Bank Projects
- 4 Report Request Form

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Coastal view of MOLOKA'I

Trade Invest Monthly

Hawaii's International Business Network

Hawaii Notices

2001 Pacific Asian Lecture Series

Pacific Asian Management Institute (PAMI) has just announced the 2001 Pacific Asian Lecture Series.

Summer Session I

June 5, 2001

World Textile and Apparel Trade: Sweat shops, China and the WTO

Carol Ann Dickson - University of Hawaii

June 7, 2001

The Invisible Hand of Liberty versus the Visible Hand of Government: Which Way, Asia?

Mark Skousen - Rollins College

June 12, 2001

Why Ethics and Profits Can and Must Work Together in Business

Donald Robin - Wake Forest University

June 14, 2001

Asia Policy in the George W. Bush Administration

William Bodde - United States Ambassador (ret.)

Summer Session II

July 10, 2001

How I Founded the Commercial Internet in Japan

Roger Boisvert - Chairman and Representative Director, CTR Ventures

July 12, 2001

US-Japan Trade Relations: Past and Future

Theresa Greaney - University of Hawaii

July 17, 2001

International Ethics and Business Formation over Time

Waymond Rodgers - University of California, Riverside

July 19, 2001

Country and Currency Exposures in Global Investment Portfolios: Framework for Decision-Making

David Upton - Virginia Commonwealth University

July 24, 2001

Privatization and Management Education: The Sine Qua Non Conditions for Economic Development

George Vozikis - the University of Tulsa

July 31, 2001

Corporate Strategy Challenges of a Global Technology Company

Tareq Hoque - President, Adtech

All lectures are held at the University of Hawaii at Manoa, College of Business Administration (the corner of Maile Way and University Avenue) CBA C102, 4:15 pm - 5:45 pm

For more information please contact the PAMI office:
Tel: (808) 956-8041 Fax: (808) 956-9890 web page
www.cba.hawaii.edu/pami

The Entrepreneurial Wave: Coming Changes in the Global Economy

The Pacific Asian Management Institute (PAMI) is sponsoring the annual *N.H. Paul Chung Lecture*

and Luncheon. The guest speaker Timothy Sterns - California State University, Fresno will discuss how and why entrepreneurial activity is rapidly growing across the globe with implications for economic change.

DATE: June 20, 2001 (Wednesday)

TIME: 11:30 am - 2:00pm

PLACE Hilton Hawaiian Village

COST: Admission charge

For more information please contact the PAMI office: Tel: (808) 956-8041 Fax: (808) 956-9890 web page: www.cba.hawaii.edu/pami

BuyUSA.Com

BuyUSA.Com is a new service brought to you by the U.S. Commercial Service of the U.S. Department of Commerce and IBM Corporation. It is an international marketplace---a "one-stop" export assistance web site that brings U.S. and international companies together to export U.S. products and services. This service distinguishes itself from other web sites because it integrates the one-on-one export counseling of the U.S. Commercial Service with the latest in B2B technology critical for competing in today's global economy. BuyUSA.Com offers on-line services to locate international business partners and complete the export transaction, as well as access to local trade experts for additional export counseling. The annual subscription rate for this new exciting service is \$300.

Contact the Honolulu Export Assistance Center at 522-8040 for more information.

New SED Regulations Are Now in Effect

Due to the recently implemented changes to the Foreign Trade Statistics Regulations (FTSR) and the Export Administration Regulations, exporters, forwarders, and foreign buyers must deal with a new set of responsibilities that dramatically change the process of completing a Shipper's Export Declaration (SED). This new change became effective October 2000 and use of the new form became mandatory on April 1, 2001.

The SED is the basic form that is used to report export transactions. It is prepared by the exporter or a forwarding agent and presented to the U.S. Customs Service at the port of export. The information contained in the export declaration is used by the Census Bureau to tabulate export statistics and by the Bureau of Export

Administration to regulate the export of commodities subject to legal restrictions.

The FTSR were amended in order to clarify the responsibilities of U.S. exporters, U.S. forwarding agents and foreign buyers in completing and filing an SED. The requirements governing the preparation and filing of export declarations by U.S. forwarding agents on behalf of U.S. exporters or foreign buyers are also modified under the new rules.

Contact the Honolulu Export Assistance Center at 522-8050 for more information or check the Bureau of the Census Foreign Statistics Trade Office website at www.census.gov/foreign-trade/www.

Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. Complete the request form at the end of the newsletter and Fax to (808) 587-3388, or send an Email message to: tradeinvest@dbedt.hawaii.gov.

The report service offered is reserved for Hawaii companies only.

If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, www.stat-usa.com. You will have the choice of ordering the reports you need for a small fee or you can subscribe to their service for an annual fee and have unlimited access to all reports and services

Philippines – Air Pollution Control / Monitoring Equipment (10 pages)

With the signing of the Clean Air Act into law in the Philippines in 1999, the U.S. & Foreign Commercial Service in Manila reports that there is a growing demand environmental products and services in the Philippines due to the industrial expansion and the stricter Philippine Government regulatory enforcement.

With US\$200 million support provided by the Asian Development Bank (ADB), and technical assistance provided by the U.S. Trade and Development Agency (USTDA) to the Metro Manila Air Quality Improvement Sector Development Program, there will be opportunities for U.S. air pollution control and monitoring equipment. In addition to this support, the Government of Japan is also extending an Official Development Assistance (ODA) loan of JPY36,300 million (about US\$226,900) to the Philippine government for this air quality monitoring program.

Key points in this report that may be of interest to Hawaii companies are as follows:

- According to the World Health Organization, Metro Manila's air quality greatly exceeds safety levels and causes respiratory and other ailments. Over 70% of Metro Manila's air pollution is caused by traffic.
- The import market for air pollution control and monitoring equipment market in 2000 was US\$27.24 million (FOB).

- 100% of air pollution control and monitoring equipment are imported into the Philippines. The U.S. accounts for the largest market share at 27%. Main competitors are from Japan, Singapore, Germany, United Kingdom, Hong Kong, Australia, and Korea.
- End-user estimate a 20-30% increase in imports from the U.S. starting in 2001 over the next 10 years as a result of the Clean Air Act.
- Philippine end-users still prefer U.S.-made equipment because the equipment is durable, functional, user-friendly, and conforms with Department of Environment and Natural Resources (DENR) standards. The end-users are very price sensitive and are concerned about after-sales service.

Other topics in the report include:

- Market profile – enforcement
- Best sales prospects
- End-user analysis – major users of air pollution control and monitoring equipment
- Sources of air pollution
- Import duties

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov

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Japan – Outbound Travel Market (14 pages)

The U.S. & Foreign Commercial Service has recently published a report that relates to many Hawaii businesses – Japan's Outbound Travel Market.

Even with the Japanese economy stagnating, the numbers of Japanese outbound travelers totaled a remarkable 17.8 million in 2000, an increase of 8.9% over the previous year.

Excluding Mexico and Canada, Japan is the largest overseas market for the U.S., receiving over one-third, or 5.07 million of total outbound Japanese travelers. Other top destinations for the Japanese travelers were Korea and China. Europe is also a strong competitor.

In summary, the trends of the Japanese overseas travelers are as follows:

- The most common type of overseas travel is with package tours – representing 49.3% of total travelers. This is followed by the individually-arranged tours (FIT – free independent travel) at 36.7%.
- To Hawaii, 60.4% of Japanese travelers used packaged tours. Comparatively, 59.2% of Japanese travelers to the U.S. mainland chose the FIT tours.
- As the Japanese traveler matures and take repeat trips, the FIT type of travel will continue to increase.

The average total expenditure, according to a Japan Travel Survey (JTB) in 1999, was 326,000 yen per capita. For packaged tours to Hawaii, the average travel expenditure was

351,000 yen per capita.

- Popular U.S. destinations for Japanese travelers were Hawaii, California, Guam, Nevada, New York, and Florida.
- Not surprisingly, economic stability and the yen valuation play a key role in the numbers of overall Japanese overseas travelers. However, even in a stagnant Japanese economy, the Japanese traveler saved on their travel costs by limiting their shopping expenditures. This is the reason why outlet shopping malls are popular among the Japanese traveler.

The following Japanese travel segments are expected to grow:

Middle-aged and elderly people - called the "active senior" market, it will continue to grow despite the stagnant Japanese economy. Travelers in this segment generally use package tours. Travel companies targeting this market emphasize the cultural tourism and high quality accommodations rather than shopping. JTB reports that by 2005, this segment will be the largest market for outbound travel.

Wedding / honeymoon travel – Spring and Autumn are the preferred wedding season in Japan, and it is popular for Japanese couples to choose overseas destinations for honeymoon travel. According to JTB, Hawaii was the most popular destination, followed by the U.S. mainland, Europe, and Guam & Saipan. In the U.S., the most popular cities were Honolulu, Las Vegas, Guam, Maui, Los Angeles, Orlando, Big Island, and Anaheim. This market is affected by the Japanese economic situation, and as a result, couples are spending less for the wedding/honeymoon, and the average amount of expenditure is decreasing.

School travel – as reported in the March 2001 issue of Trade Invest Monthly, almost all schools in Japan from primary, junior high, and high school organize school trips for their students. The majority of the trips are within Japan, but an increasingly number of schools, particularly high schools, are organizing overseas school trips. The most popular overseas destination is China, followed by Korea and Australia. The U.S. mainland ranked fourth, and Hawaii fifth. *According to the Japan School Tours Bureau (JSTB), 79 schools choose Hawaii as their school trip destination. That totaled 11,837 students and their average length of stay was 7.4 days*

Single working women in their late-20's and 30's – this segment will continue to grow even under a weak Japanese economy. These women have sufficient disposal income for travel. It is also common for a woman in this segment to travel overseas with their mother. Retail stores target this segment as consumers with strong consumption power.

Other topics in this report include:

- End-user analysis – how Japanese choose a destination

- Market access – how to keep contact with potential Japanese businesses and consumers.

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov



Japan – Cut Flower Market (30 pages)

The Japan External Trade Organization has recently published a report on the cut flower market in Japan.

Next to Holland and the U.S., Japan has one of the most important cut flower industries in the world. Most of Japan's cut flowers are produced domestically, with 7% of Japan's total cut flower industry being imports.

This report focuses on the following product categories – fresh orchids, fresh chrysanthemums, fresh lilies, and other cut flowers.

The key points of interest to the Hawaii cut flower industry are as follows:

- The cut flower market in Japan grew steadily from the late 1980's to the mid-1990's. The latter part of the 1990's saw a slowdown in both domestic and imports due to Japan's economic recession.
- Total market value in 1998 remained at JPY323.3 billion, of which imports were valued at JPY22.4 billion.
- Chrysanthemums dominate the industry with 40% market share or 2 billion pieces of annual business.
- Imports grew rapidly between 1985 and 1995, but have been sluggish since. However, in 1999, the total import volume grew 13.6%, although there was a 3.1% drop in import value. This is due to the increase of low-priced flowers from other Asian countries, South Korea, and China.
- The main imported flowers are orchids, followed

by carnations, roses, and chrysanthemums.

- Since the 1980's, purchases increased due to the increased popularity of home delivery and mail order systems. There have also been recent distribution changes with the emergence of new sales channels for cut flowers in supermarkets, home improvement centers.
- There are fewer domestic growers in Japan, but due to advances in biochemistry, new growers from entirely different industries have entered the flower and cut flower industry by developing new strains and seedlings.
- Imports from Thailand are primarily orchids, a flower that is popular with the Japanese.

The trends show that Japanese importers have shifted their sources to Asian nations, especially China and South Korea. This shift presents serious competition to the Japanese growers.

Information in the report also includes the following sections:

- Cut flower import system and related regulations
- Advice on market access
- Custom tariff and sales tax
- Role of wholesaler –
- Household consumption trends
- Understanding Japanese import demands for cut flowers
- How to select a proper importer
- Reference

For a copy of this report, send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov



Offers

The trade opportunities listed come directly from the company or trade organization. DBEDT does not endorse these companies or organizations. Please do your own background check before entering into any business negotiation.

Offer to Sell

India manufacturer and exporter of dyes (acid, reactive, and direct) is looking for potential importers, buyers, end-users, merchants, and agents of dyestuffs. The dyes are applicable on leather, wool, nylon textile, cotton silk, and paper. Production capacity is 2,000 MT / annual. Contact Hiten Patel at Star Dyes & Intermediates, Tel: 91-79-583 3885; Fax: 91-79-583 1685; e-mail: stardyes@ad1.vsnl.net.in

Trade Shows, Conferences, & Trade Missions

October 13-17, 2001

ANUGA 2001. Cologne, Germany. The U.S. Department of Agriculture is sponsoring the USA Pavilion at this event. This tradeshow is considered the world's largest food & beverage industry trade event. In 1999, 183,768 buyers from 152 countries, and 203 exhibitors from the U.S. attended. To increase exposure of the USA Pavilion, product pavilions are available in concentrated product groups. This year's product pavilion includes 1) bread & bakery, 2) dairy, 3) general foods, 4) meat & poultry, and 5) beverages. For more information on the show, contact B-FOR International – USA in Virginia at Tel: (540) 373-9935; Fax: (540) 372-1414; e-mail: b-for@exhibitpro.com

ADSALE has just released its 2001 & 2002 Tradeshow schedule for the following cities: Beijing, Shanghai, Guangzhou, Hong Kong and Ho Chi Minh City - Vietnam. **Hawaii technology companies may have interest in the following shows:**

- Shanghai International Exhibition on Network and Internet / Security 2001 November 6-9, 2001.
- The 12th Asian Information Technology Exhibition, September 12-15, 2001, Hong Kong.
- The 13th Asian Information Technology Exhibition, September 2002, Hong Kong.

For more information please contact Adsale People Inc., Fax: (408) 986-8384 or e-mail: adsaleusa@adsaleexh.com For a copy of this schedule please send the request form by Fax: (808) 587-3388 or by email to tradeinvest@dbedt.hawaii.gov

Business Resources

Hawaii Pacific Export Council

The Hawaii Pacific Export Council is a group of private and public sector advisors appointed by the U. S. Secretary of Commerce to assist the Commerce Department and its Export Assistance Centers (EACs) in promoting foreign trade and export of Hawaii products and services. HPEC also serves American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Republic of Belau and the Republic of the Marshall Islands.

HPEC and EAC provide export training seminars, export and trade data, opportunities for the discussion of trade and export business and supports community, government and academic efforts which foster greater regional participation in international business.

In recent years, HPEC has supported the Hawaii Business Forum meetings in 2000 and 2001, the East West Center's business-oriented programs, and the State of Hawaii's efforts to establish a World Trade Center in Hawaii. HPEC responds to business inquiries from overseas and utilize the network and resources of the US Department of Commerce, the US Foreign Commercial Service, other export councils within the United States and business and commerce organizations to further the business and economic development goals of the region.

For more information please contact Charlotte Vick, Tel: (808) 524-5080, Fax: (808) 523-7443, e-mail: cvick@starttech.com

Singapore - Broad Band Market (13 pages)

The U.S. & Foreign Commercial Service recently published a report on the Singapore Broad Band Market.

Singapore has built a nationwide broadband infrastructure to meet the country's rising demand for information technology services. It includes broadband over cable, over Digital Subscriber Line (DSL), over satellite and over terrestrial wireless. Many U.S. companies are entering the market following telecommunications liberalization in April 2000.

Today, over 99% of homes are capable of being connected to Singapore ONE, Singapore's nationwide broadband infrastructure. Singapore ONE is built and operated by 1-Net Singapore using Asynchronous Transfer Mode (ATM) technology and currently has over 250,000 home and business users. By 2005, the number of users is expected to increase to approximately 2.0-2.5

million and will include more home, business as well as school users.

There are over 34,000 subscribers to Asymmetric Digital Subscriber Line (ADSL) and over 33,000 Hybrid Fiber Coaxial (HFC) cable-modem subscribers. These subscribers to ADSL and HFC should increase to 438,200 and 74,300 respectively by 2003.

Singapore imports a wide range of broadband equipment. U.S. companies maintain a dominant position in broadband products and services, but are facing competition from countries such as Australia, Canada and France.

This report features in greater detail the following sections:

◆ **Best Sales Prospects For U.S. Firms**

Singaporeans are increasingly aware of the power of fast access through broadband. The Singapore government is trying to boost demand for fast-growing areas such as interactive broadband multimedia, mobile and wireless applications.

◆ **Competitive Analysis**

Singapore relies heavily on imports from countries such as the U.S., Australia, Canada and France to supply their broadband products.

◆ **U.S. Market Position**

There has been a strong presence of U.S products

and services in Singapore for many years, which has strengthened the telecommunications sector in Singapore. U.S. companies such as Lucent Technology, AMP, Corings and Cisco Systems have sold billions of dollars of broadband products and equipment to Singapore.

◆ **End-Users**

Broadband product and services can be split up into different end-user groups. Telecommunications service providers (SingTel and StarHub), cable modem provider (SCV) and 1-Net are large procurers of broadband products.

◆ **Market Access**

If a U.S. broadband firm wants to sell its services in Singapore, it should contact the IDA directly for a telecom license. The IDA will grant two types of licenses namely facilities-based operators (FBOs) licenses or services-based operators (SBOs) licenses.

◆ **Upcoming Trade Events in Singapore**

Comdex Asia 2001, April 2001
Mobile Commerce World Asia 2001, April 2001
CommunicAsia 2001, June 2001

◆ **Facilities- And Service-Based Operators**

Listing includes 11 Facilities-Based Operators and 100 Service-Based Operators.

For a copy of this report, send the request form by
Fax: (808) 587-3388 or by email to
tradeinvest@dbedt.hawaii.gov
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Asian Development Bank (ADB) Project Listings in May 2001

The U.S. Department of Commerce, International Trade Administration provides reports on upcoming ADB loan projects which will be listed for the first time in May 2001 in ADB's Business Opportunities. The project listed are now being actively processed by the ADB, and are as follows:

Loan Project

Marshall Islands - Name of Project: Fiscal and Financial Management Program

Project number: RMI34505-01 Executing agency - Ministry of Finance, P.O. Box D, Majuro, Marshall Islands, MH 96960 Contact: Michael M. Konelios

Tel: (692) 625-7420; Fax: (692) 625-3607; e-mail: minfin@ntamar.com

Loan amount: US\$12 million

Objectives - 1) stabilize the fiscal position, 2) strengthen public sector financial and economic management, 3) ensure a sustainable income flow for future generations, 4) improve the effectiveness of the public service, and 5) enhance the policy environment for the private sector.

Technical Assistance (TA) Grant Projects

Marshall Islands - Name of project: Fiscal and Financial Management (Fiscal, Financial and Economic Advisory Services) Project number: RMI34504-01 Executing Agency: Ministry of Finance TA amount: US\$950,000

Objectives - 1) fiscal and financial advisory services, 2) economic strategy advice, 3) capacity building towards a more efficient public service, 4) support reform program implementation, and 5) short-term consultancy inputs for specific reform initiatives as required.

Vanuatu - Name of project: Preparation of an Economic Report (PIER) Project number: VAN34275-01 Executing Agency: Department of Economic and Social Development TA amount: US\$200,000

Objectives (summary) - study the past developments, current issues, and future prospects of the economy. Identify development opportunities, constraints, and policy options. Special attention to sustainable economic development and socioeconomic welfare of the underprivileged population. Development of policy and action plans for agriculture and fisheries.

The ADB selects a consultant for a TA grant based on it prior Expression of Interest (EOI). An EOI can be transmitted online through ADB's website at: www.adb.org



Search Begins for Exporter of the Year

Nominations are now open for the 2001 *Governor's Exporter of the Year* awards

This program recognizes companies and individuals that have made significant contributions to expanding exports of Hawaii's products and services.

Six primary awards will be made: Fresh Commodities; Manufactured Products; Professional Services; High Technology; the Export Trading Company; and New Exporter. Winners will be chosen based on achievements in sales during the past three years, with special consideration given to creative marketing ideas and contributions to helping others expand export markets.

The *Governor's Exporter of the Year* will be chosen from among these six category winners. In addition, the *Outstanding Contributor to Exporting* will be awarded to the individual and/or organization that has been instrumental in promoting Hawaii exports.

Nomination forms must be received by DBEDT no later than **Friday, July 31, 2001, 4:30 p.m.**

To obtain nomination forms or for more information, contact DBEDT's Business Development and Marketing Division by phone 587-2584, fax 587-3388, or e-mail to info@dbedt.hawaii.gov.

Report Request Form

Trade Invest Monthly, Hawaii's International Business Network

Company: _____

Contact person: _____

Address: _____

City: _____

Zipcode: _____

Telephone: _____

Facsimile: _____

Email: _____

Report(s) requested:

- ☐ Philippines - Air Pollution Control/Monitor Equip
- ☐ Japan - Outbound Travel Market
- ☐ Japan - Cut Flowers
- ☐ Singapore - Broadband Market
- ☐ Adsale People Inc., Tradeshow schedule
- ☐ ADB Loan and TA Projects in May
- ☐ Information on the Governor's Exporter of the Year Awards

OTHER REPORTS (please reference issue date): _____

Please fax this completed form to (808) 587-3388, or Email your request to: tradeinvest@dbedt.hawaii.gov



Hawaii Convention Center